

1. Number of employees listed in Schedule A _____

2. Total taxable wages PAID (from Item 21) \$ _____

EMPLOYERS' TAX

3. 1% of Item 2 \$ _____

4. Credit or adjustment \$ _____
(Must be explained. See instructions)

5. Total employers' tax \$ _____

EMPLOYEES' TAX

6. 1% of Item 2 \$ _____

7. Credit or adjustment \$ _____
(Must be explained. See instructions)

8. Total employees' tax \$ _____

9. Total tax (total of Items 5 and 8) \$ _____

**THIS COPY
MUST BE KEPT
BY EMPLOYER**

This copy, together with a copy of each related schedule or statement which the employer is required to keep, must be carefully preserved by the employer at his principal place of business, and should at all times be available for inspection by officers of the Bureau of Internal Revenue. See Par. I of General Instructions on back of this copy.

IDENTIFICATION No. _____

10. Type or print in this space employer's name, address of principal place of business, and identification number. (See Item 13 of Instructions.)

DO NOT DETACH AT THIS LINE
SCHEDULE A—EMPLOYER'S REPORT OF TAXABLE WAGES PAID TO EACH EMPLOYEE
(List all employees to whom taxable wages were paid during the quarter)

IDENTIFICATION No. _____

14. Date quarter ended 3/31/43

If there is not enough space to list all employees below, use Schedule A continuation sheets (Form SS-1 b). Each such sheet must show a page number beginning with number 2. (See instructions on back of continuation sheet.)

15. Total pages of return, including continuation sheets attached _____

16. Has a change of ownership, or other transfer, of the business taken place during the quarter? _____ If so, attach the statement called for in Item 16 of Instructions.
(Yes or no)

13. Type or print in this space employer's name, address of principal place of business, and identification number. (See Item 13 of Instructions.)

Employee's Account Number (17)			Name of Employee (Type or print) (18)	Taxable Wages Paid Under Federal Insurance Contributions Act (19)		State (20)
000	00	0000		Dollars	Cents	
			No employment during this period			

TOTAL FOR THIS PAGE—Total taxable wages paid \$ _____

21. TOTAL FOR THIS RETURN—Total taxable wages paid \$ _____
(Do not use this space)

22. Number of taxable employees on pay roll covering last pay period (or pay periods) of quarter _____

This total must be the same as Item 2 above

GENERAL INSTRUCTIONS

(For Entries to be Made in Items 1 to 22, Inclusive, See the Instructions on the Back of the Original Copy)

This form is to be used by each employer of one or more individuals in reporting and paying the taxes imposed under the Federal Insurance Contributions Act. This Act imposes an employers' tax of 1 percent upon wages paid by each employer and, in addition, an employees' tax of 1 percent upon wages received by each employee. An explanation of the principal provisions and requirements of the Act and related regulations is outlined below.

PARAGRAPH A. Wages that are taxable.—All wages paid to employees, with certain exceptions, are taxable. (The most important of these exceptions are listed in par. B, below.) Taxable wages include not only money but the fair value of any other thing received by an employee from the employer in payment for work done, such as meals, lodging, clothing, or merchandise. In general, taxable wages also include the following:

- (1) Wages paid to temporary or part-time employees.
- (2) Salaries or wages paid to officers of corporations.
- (3) Wages paid to employees over age 65.
- (4) Commissions paid to employees.
- (5) Meals furnished to employees of restaurants and hotels, to seamen on American vessels, etc.
- (6) Bonuses.
- (7) Vacation allowances.
- (8) Wages paid to relatives of partners or corporate officers working for the partnership or corporation.
- (9) Wages paid by an individual employer to a son or daughter who is 21 or more years of age.

PAR. B. Wages that are not taxable.—Wages that are not taxable include:

- (1) Amounts over and above the first \$3,000 of wages paid to each employee by the same employer for services rendered in any one calendar year. In determining whether this exemption applies in the case of an employee who worked for more than one employer during the year, the employer may take into consideration only the total amount of wages paid by himself to the employee. In other words, the exemption applies separately to the wages the employee received from each employer and not to the total wages he received from all employers.
- (2) Compensation for services which are not covered by the Act, such as agricultural labor and certain kinds of domestic service.
- (3) Payments made by employers under certain plans providing for retirement, sickness or accidents, medical and hospitalization expenses, or death.
- (4) Dismissal payments which the employer is not legally required to make.
- (5) Tips paid directly to an employee by a customer of the employer, provided they are not accounted for by the employee to the employer.

PAR. C. Collection of employees' tax.—The employer should deduct the employees' tax of 1 percent when he pays them their wages, and if he does not do this, he becomes liable for this tax himself. Tax so deducted is a special fund in trust for the United States and should be accumulated until the time fixed for its payment, when it should be paid over to the Collector of Internal Revenue. Employees' tax deducted from an employee's wages must not be used by the employer for his own purposes. Severe penalties are imposed by law for willful failure to pay, collect, or truthfully account for this tax. The amount of the employees' tax, together with the employers' tax, must be paid over to the United States Collector of Internal Revenue once each 3 months.

PAR. D. Quarterly tax return and wage report.—For the filing of returns and payment of these taxes the year is divided into four periods or quarters of 3 months each, as follows: First quarter—January, February, and March; second quarter—April, May, and June; third quarter—July, August, and September; fourth quarter—October, November, and December.

Every employer must make a return on this form for the first quarter within which he pays taxable wages to his employee or employees, and for each quarter thereafter (whether or not taxable wages are paid therein) until he files a "final return," as explained in par. E, below. The return should be mailed or delivered to the office of the United States Collector of Internal Revenue and should be accompanied by remittance of the amount of taxes due, including both the employers' tax and the employees' tax. Checks or money orders should be made payable to the "U. S. Collector of Internal Revenue."

The return for the first quarter must reach the Collector's office not later than April 30; for the second quarter, not later than July 31; for the third quarter, not later than October 31; and for the fourth quarter, not later than January 31. Every employer who files a return after the due date, and who wishes to avoid the addition to tax for such delinquency (see par. J, below), must attach a statement to the return as a part thereof, making an affirmative showing of all facts alleged as a reasonable cause for his failure to file the return on time.

After an employer has once filed a return on this form, a blank form will be mailed to him every 3 months; but if at any filing period his form should fail to reach him, the employer should write to his local Collector of Internal Revenue or call at his office for a form so that he can make his return on time.

PAR. E. Final returns.—Any person who ceases to pay taxable wages must file a final return on this form. He should write the words "Final return" at the top of the return, show the period which it covers and the date of the last payment of taxable wages, and mail or deliver it, accompanied by a remittance of the taxes due, to the Collector so that it will reach his office on or before the 30th day after such date. He should also attach to the return a statement, in duplicate, giving the address at which the records referred to in par. I, below, will be kept, the name of the person keeping such records and, if the business has been sold or otherwise transferred to another person, the name and address of such person, and the date on which the sale or other transfer took effect.

PAR. F. Statements to be furnished employees.—Every employer is required to furnish each of his employees a written statement in a form suitable for the employee to keep, showing the following information: (1) the name of the employer, (2) the name of the employee, (3) the period covered by the statement, (4) the total amount of wages paid during the period, and (5) the amount of employees' tax with respect to such wages.

Each statement must cover one or more, but not more than four, calendar quarters and must be furnished to the employee not later than the last day of the second calendar month following the period covered by the statement. When an employee leaves the service of the employer, however, the statement must be furnished when the final wage payment to the employee is made.

If the employer chooses, he may furnish the statement at the time of each wage payment to the employee and, in that case, the statement may show the date of the wage payment instead of the period covered by the statement.

No particular form is prescribed for the statement required to be furnished by the employer to the employee. So long as it is in a form suitable for the employee to keep and shows clearly all the information required, the statement may be in any form. It may be furnished, for example, on the employee's pay envelope, on a detachable strip attached to the employee's pay check, or on a separate sheet of paper.

The law provides a civil penalty of not more than \$5 for each willful failure of an employer to furnish the required statement to an employee.

PAR. G. Employers must obtain identification numbers.—Every employer who is required to file this form and who does not have an identification number and has not applied for one, must file an application on Form SS-4 for such a number. Copies of Form SS-4 may be obtained from any field office of the Social Security Board or from any Collector of Internal Revenue. The employer must file the application either with the nearest field office of the Social Security Board in the State in which his principal place of business is located, or with the Collector of Internal Revenue for the district in which such place of

business is located. The application must be filed on or before the seventh day after the date on which employment for wages for the employer first takes place.

An identification number will be assigned to the employer on the basis of the information reported on the application. When received, the number should be entered in the employer's permanent records and kept on file for reference.

Each employer should have only one identification number. If an employer has more than one number and has not been advised which one to use, he should notify his Collector of Internal Revenue of the numbers he has and of the name and address to which each number was assigned. He should also give the Collector the address of his principal place of business. The Collector will then advise him of the identification number he should use.

An employer who has purchased or otherwise acquired the business of another person must not use the identification number assigned to such other person but must file an application for a new number for himself.

PAR. H. Employees must obtain account numbers.—As soon as an employee starts to work for an employer for wages, he must inform the employer what his account number is, and what his name is, exactly as shown on his account number card issued to him by the Social Security Board. If the employee fails to furnish this information, the employer is required to request it from the employee. As soon as the name and account number of the employee are made known to the employer, he must enter them in his records.

If an employee does not have an account number and has not applied for one, the employer must immediately advise the employee of the necessity for obtaining a number from the nearest field office of the Social Security Board. If the address of such a field office cannot be found in a local directory, it may be obtained at the local post office. The employee should then prepare an application on Form SS-5 (a copy of which can be obtained either at the field office or from the office of the local Collector) and submit the application to the field office of the Social Security Board. The application must be filed on or before the seventh day after the date the employee starts to work for the employer for wages, or, if the employee leaves the employ of the employer before such seventh day, then the application must be filed before the employee leaves. The field office of the Social Security Board will either issue an account number to the employee as soon as the application is submitted, or will issue a receipt to the employee acknowledging that an application has been filed by him.

In any case where an employee has not advised his employer what his account number is by the fourteenth day after the date he first starts to work for the employer for wages (or before he leaves the employ of the employer, if that event occurs within the fourteen-day period), the employer must immediately request the employee to comply with (1) or (2), below:

(1) If the employee has available a receipt issued to him by an office of the Social Security Board acknowledging that he has filed an application for an account number, the employee must show such receipt to the employer.

(2) If the employee does not have available such a receipt, the employee must furnish to the employer an application on Form SS-5, completely filled in and signed by the employee. If a copy of Form SS-5 is not available, the employee must, in place of that form, furnish to the employer a statement in writing, signed by the employee, setting forth the date of the statement, the employee's full name, present address, date and place of birth, father's full name, mother's full name before marriage, employee's sex and color, and information as to whether the employee previously filed an application on Form SS-5, and, if so, the date and place of filing.

If the employee complies with (1), above, by showing a receipt to the employer, the employer must enter in his records the date of issue of the receipt, its termination date, the address of the issuing office, and the name and address of the employee exactly as shown in the receipt. The receipt itself, however, must be retained by the employee. If, at the time the employer's return on Form SS-1a is filed, the employee's number is still unknown to the employer, the employer must enter on the return, with the entry with respect to the employee, the notation "Receipt issued," together with the name and address of the employee exactly as shown in the receipt, the date of issue of the receipt, and the address of the issuing office.

If the employee complies with (2), above, by furnishing to the employer a completely executed application on Form SS-5 or statement, the employer must attach such application or statement to his return on Form SS-1a unless, in the meanwhile, the employee's account number becomes known to the employer, in which case the number should be entered on the return and the application or statement returned to the employee.

If the employee fails to comply with either (1) or (2), above, the employer must execute and attach to his return on Form SS-1a, a Form SS-5 or statement, signed by the employer, setting forth as fully and clearly as practicable the information called for in paragraph (2), together with an explanation of his failure to secure from the employee a Form SS-5 or statement signed by the employee, and must insert the word "Employer" as part of his signature.

The employer should impress on each of his employees the need of keeping his account number and of having only one number. If an employee loses his account number card, he should apply for a duplicate card at the nearest Social Security Board office and should ask for the same number he had before. If an employee has more than one number, he should keep the one the employer has entered in his records and return the others to the nearest Social Security Board office for cancellation. Each account number card returned for cancellation should bear on the back, plainly written, the number which the employee is keeping.

The employer should advise any employee who wishes to correct a statement made on Form SS-5, or whose name has changed, to notify the nearest Social Security Board office so that his social security record will be accurate.

PAR. I. Records.—Every employer must keep sufficient records to enable him to fill in the return accurately for each employee, and to enable the Collector to verify the amount of taxes due. Such records must be retained for a period of 4 years from the date when the taxes were paid, and must at all times be open for inspection by Internal Revenue officers. The employer's copy of this return, and copies of all schedules and statements required to be attached to the original copy pursuant to Items 4, 7, and 16 of the instructions appearing on the back of such original copy, must be kept by the employer at his principal place of business.

PAR. J. Interest and penalties.—If tax is not paid when due, interest accrues at the rate of 6 percent per year. If the return is not filed on time, 5 percent to 25 percent of the tax will be added to the tax unless the employer establishes that a reasonable cause exists for the delinquency. The amount to be added to the tax depends on the duration of the delinquency. (See par. D, above, relative to the statement which the employer must submit if he does not file his return on time.) If the employer does not pay the amount of an assessment within 10 days after the service or mailing of a notice and demand for such payment, a penalty of 5 percent will be added to the assessment. Penalties are also imposed by law for willful failure to pay, collect, or truthfully account for and pay over tax, furnish statements to employees, keep records, make returns, or for false or fraudulent returns.